

THE NATION AND ATHENÆUM

SATURDAY, MAY 26, 1928.

A HARD FACT

AN unfurnished room, a loaf of bread and
a quart of milk cost about 3/- a day.

£1,000 will provide your widow
with an income of 2/9 a day.

MORAL—INCREASE YOUR LIFE ASSURANCE

For your next life policy get
a "National Mutual" quotation.
It may make a difference
of hundreds of pounds in
the result to your family.



Write to the General Manager,
NATIONAL MUTUAL LIFE ASSURANCE SOCIETY
39, King Street, London, E.C.2

THE LONDON ASSURANCE

A.D. 1720.



FIRE
MARINE

LIFE
ACCIDENT

Life Bonus 1925—Compound Reversionary addition of £2 % per ann.

1, KING WILLIAM STREET, E.C.4.

Marine Dept. :—157, LEADENHALL STREET, E.C.3.

ASSETS EXCEED £11,000,000.

THIRD CENTURY OF ACTIVE BUSINESS.

Branches and Agencies throughout the World.

Applications for Agencies Invited.

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office : Oxford Street, Manchester.

Established 1864.

Summary of Directors' Report for the year ending 31st December, 1927.

Reversionary Bonus declared of £2 4s. 0d. per cent., an increase of Two Shillings over the rate for 1926.

Total Premium Income for year £7,826,427, being an increase of £638,564 over the previous year.

Total Net Interest received during the year, £1,800,442, being an increase of £128,450 over the previous year.

Total Assets at end of the year, £39,276,629, being an increase of £3,318,580 during the year.

Total Claims Paid in the year, £3,693,550. The Company has paid £53,109,029 in claims since its establishment.

The Total Assurances existing on December 31st, 1927, amounted to £57,173,418 in the Ordinary Branch and £81,124,672 in the Industrial Branch.

The Premium Income in the Ordinary Branch was £3,445,010, being an increase of £226,176 over the previous year; and in the Industrial Branch it was £4,381,417, being an increase of £412,388.

The Company transacts Life Assurance business of every description.

JAMES S. PROCTOR,

Chairman.

28

THE NATION

AND ATHENÆUM

INSURANCE SUPPLEMENT

CONTENTS

	PAGE		PAGE
INSURANCE ACCOUNTS. By G. H. Recknell, F.I.A., F.F.A.	267	MOTOR VEHICLES AND INSURANCE	274
LIFE ASSURANCE FINANCE. By E. H. Lever	270	SUM ASSURED AND BONUSES OBTAINABLE FOR AN ANNUAL	
THE RISING TIDE OF LIFE ASSURANCE	272	PREMIUM OF £10	279

INSURANCE ACCOUNTS

By G. H. RECKNELL, F.I.A., F.F.A.

PARTLY because the alteration in the price level since the war has had so deleterious an effect on the values of gilt-edged securities, and partly because the natural evolution of joint stock enterprise has greatly widened the area—and incidentally lessened the risk—of investment in industrial securities, investors now turn more than ever before to ordinary shares as a permanent outlet for their savings. Aids to the timid investor in this field abound in plenty. In particular the City Editors have arisen to guide him through the intricate jungle of company accounts. Nowadays one of the most important features of every morning and evening paper is the financial page, in which one of these remote Olympians distributes drops from the distilled essence of his immense wisdom. Nothing appears to come amiss to the City Editor. Whether it be in a dissertation on the gold standard, an *ex cathedra* pronouncement on the theory of credit, or an analysis of the position and prospects of the coal industry, he seems to be equally at home. But there is nevertheless a curious hiatus in his equipment when insurance companies come to be considered. In the case of an ordinary industrial concern, a statement of the profits is furnished by the company, and it is not very difficult to compare this with the cost of the dividend and to analyze the balance-sheet. But an insurance company is engaged in selling an entirely different article from that marketed in any other business. An insurance company sells "protection," and the profits from its sales emerge sometimes a year afterwards, sometimes two years or five years, and in the case of life assurance, it may be, even fifty years later. Moreover, the business is conducted in several watertight compartments, each furnishing a separate account of its transactions and each presenting technical characteristics which differentiate it from the others. Nor can the accounts as a whole be accepted without question at their apparent face value since many companies have their idiosyncracies in such vital matters as, for instance, the calculation of reserves for future liabilities under their current unexpired contracts and the method of treating the interest earnings on those reserves.

Small wonder, then, if on the whole insurance accounts are rather inadequately dealt with by the financial Press, and if they should, therefore, be still more baffling to the investor who nevertheless realizes more and more that the best insurance shares have in the past proved to be splendid investments.

For the purposes of this discussion it will be convenient to take the case of a "composite" office transacting all

classes of insurance business, and, taking each department in turn, to indicate the main features of the accounts and to put forward a few criteria for judging the merits of the results.

The first class of business to be discussed is life assurance, and this, the first hurdle, is by far the most difficult of all to surmount. The prospective shareholder will at an early stage of his inquiries be confronted by such horrid things as rates of premium, and of bonuses, net premium valuation methods, mortality experience, and all the paraphernalia of that tiresome mystery man—the Actuary. Nor will the revenue account be of great assistance to him, for a comparison between the income and the outgo is of no value at all, since the position of the business can be determined only by an actuarial valuation of the assets and of the liabilities—and even this is subject to certain qualifications which, however, are fortunately irrelevant to this discussion. This valuation is usually made quinquennially—though in some few cases it is a triennial or even an annual event—and from the surplus that emerges from this actuarial stewpan there is transferred to the shareholders' plate their portion thereof. In the early days of life assurance, the whole of this surplus belonged to the shareholder, but gradually the policyholders were admitted to an ever-increasing share, until nowadays it is uncommon to find the shareholders entitled to more than 10 per cent. of the total surplus. Sometimes the shareholders' rights are limited to a 5 per cent. share, while in others the shareholders get 10 per cent. of the surplus arising from the with-profits business, and the whole of the surplus of the non-profits and/or annuity section. It is thus of importance to be quite clear as to the exact method of allocating the surplus between the various interests. The shareholders' portion, having been ascertained, is then carried to the profit and loss account generally in one sum, so that where the valuation is a quinquennial one the figures of the valuation year are swollen by five years' profits from the life department. Some companies obviate this awkward jump by transferring one-fifth annually to profit and loss account, and this method should be adopted in the analysis whatever the company may do in its own accounts. The prosperity of life assurance is evidenced by the increased surpluses disclosed and the larger bonuses to policyholders declared by all the leading offices and, exceptional circumstances apart, the next quinquennial valuation and distribution of surplus may be expected to yield an enhanced contribution to shareholders' profits. Consequently in considering the prospects of a particular company, a most

important factor is the imminence or otherwise of the next actuarial valuation.

Less important from the point of view of magnitude of funds, though usually far more important as a profit-earning machine for the shareholders, is the fire department. To say that fire business is radically different from life assurance is merely a particularly banal statement of the truth. Unlike life assurance, where the risk is increasing, the risk in fire insurance—and this applies equally to accident, employers' liability, and marine business—is for all practical purposes a level one; again the contract is usually an annual one terminable at each renewal date on either side, whereas a life policy is a contract enduring for a long period of years terminable only by the policyholder. If, for the moment, it be assumed that all the fire premiums are payable on January 1st, the underwriting profit (as it is termed) is found from the revenue account simply by deducting from the premiums, the claims paid and outstanding, the commission, and the expenses. But since, in fact, the premium payments are spread over the year with a tendency to concentration towards the end of the year, it is necessary to show in the revenue account a reserve for that portion of the current year's premiums in respect of which there still remains on December 31st an unexpired liability. Clearly if the premiums were spread equally throughout the year, and assuming that commission and expenses together absorb 40 per cent. of the premiums, leaving a balance of 60 per cent., the unexpired risk reserve required would be 50 per cent. of 60 per cent., i.e., 30 per cent. of the year's premiums. As, however, it happens that there is a tendency to concentration of renewal dates during the latter part of the year (particularly on the Christmas quarter day)—thus increasing the unexpired risk on December 31st—and further that a con-

siderable volume of business is arranged on the basis of a term of years, such as five years or seven years, the commonly accepted standard for this reserve is 40 per cent. of the year's premium income. Thus in addition to deducting from the premiums the claims, commission, and expenses, it is necessary to make an adjustment for this 40 per cent. unexpired risk reserve. If the premiums show an increase over those for the preceding year, there will be a reserve allocation amounting to 40 per cent. of the difference, while a decline in premium income will automatically release for profits a corresponding adjustment. This, then, is the accepted method of computing underwriting profits, but many companies make things more difficult by maintaining a 45 per cent. or a 50 per cent. unexpired risk reserve, and some of them show only a 33 per cent. or a 35 per cent. reserve, and in such cases the profit must be recalculated on the basis of the normal 40 per cent. standard. Again some companies take credit in their accounts for a round sum less than the real profit, and allow the balance to remain in the revenue account to form an additional reserve. Others swell the profit shown in the account by bringing in interest earnings on the reserve, but interest earnings should be relegated to the profit and loss account since they have nothing to do with the profit earned on the pure underwriting. These are some of the accounting practices which obscure the real profit—and there are others—but the inquiring investigator, when framing his analysis, will do well to stick to the principles already discussed.

With regard to accident business, employers' liability assurance, and other miscellaneous risks, these need not detain us since the figures are amenable to the same treatment laid down for dealing with the fire department.

And now we come to that dark patch in the insurance



Making Mary's Future Safe

Baby Mary Fortiss is quite a fortunate little girl.

Mr. Fortiss, Mary's father, is one of those self-educated men whose early youth was spent in ceaseless drudgery—carving a place for himself in the world.

When Mary came Mr. Fortiss told his wife: "Whatever happens our child shall not slave away the best years of her life." He then took out an Endowment

Policy with the A.M.P. In his words, "To provide for her education, or her living in the event of my untimely end."

In any case Mary will get full protection for her father's money, for the A.M.P. is Mutual and has no shareholders. To quote an authentic instance, a Highgate holder of a £500 policy taken out in 1886, found that his bonus for the single year, 1927, exceeded the actual premium by £15 6s. 7d.

Assets - - - - - £67,000,000
New Business (1927) - - - £15,397,528

Annual Income - - - - - £10,000,000
Cash Surplus for one year (1927) £2,895,454

Please write for a "Business Talk on Life Assurance" to: The Manager,

**AUSTRALIAN MUTUAL
PROVIDENT SOCIETY**

Established in Australia 1849.

73-76, KING WILLIAM STREET, E.C.4.

industry, the marine department. The present condition of marine insurance is such that company after company has the mortifying experience of finding all the hard-earned profits of the fire and accident departments literally and metaphorically thrown into the sea. For all that the marine doctors agree as to the main features of their diagnosis and pronounce a favourable prognosis, the patient languishes and, at the moment indeed, appears to have suffered a distinct relapse. Pending definite evidence of some recovery, therefore, a large marine premium income must be considered as a potential source of weakness. The accountancy of marine insurance is naturally rather complex, by reason of the long period that commonly elapses before claims materialize. In cargo insurance, first and second year claims are the heaviest, and the third year's claims are usually light, but in hull insurance, the claims often show an increasing tendency for the first three years, and even then further losses may subsequently be reported. The most scientific method of accounting is considered to be that which indicates separately the underwriting results of the past two or even three years, thereafter closing the account by a transfer to suspense account of an amount estimated to cover future claims, any balance left over being the profit. It is obvious that much more than a 40 per cent. unexpired risk reserve is necessary, and without going into this aspect of the matter too closely, it is sufficient as a rough guide to say that a reserve fund equal to 100 per cent. of the current year's premiums would probably be regarded as adequate.

Having ascertained the underwriting profits in the various departments, it remains to collate the figures and to bring into account also all items of income and outgo shown in the profit and loss account. The profit and loss account indicates all capital changes due to profits or losses

on the investments, and to it are debited overhead expenses and income tax. The inclusion of these overhead charges will, of course, diminish the total of the underwriting profits of the various departments, and the result will be to show what may be termed a net trading surplus. As an indication of the order of magnitude of this figure, it is interesting that, according to the *ECONOMIST*, the net trading surplus (for all departments except life) of twenty-one principal companies in 1926 amounted to 2.9 per cent. of the corresponding premium income. This is a small profit for such vast liabilities as are carried by the giant composite companies, and serves to illustrate the narrow margin between a profit and a loss. But the enormous strength of British insurance is due to the well-known fact that the companies have been accustomed to look to their interest earnings to meet their dividends, and have striven as far as possible to retain the whole of their trading surpluses for the purpose of augmenting their reserves. Thus the prospects of increased dividends depend partly on the natural increase in interest earnings due to this conservative policy, and partly on the ability of the company to secure an ever-growing premium income.

And now for two final criteria. The first is the extent to which dividends are covered by interest earnings, and the second is the magnitude of the reserves, apart from those of the life department. With regard to the first of these, the *ECONOMIST INSURANCE SUPPLEMENT* of last year published calculations showing that, in the case of the same twenty-one companies already referred to, as much as 94 per cent. of the total cost of the 1927 dividends was met out of interest. As to the reserves, these are set out in the balance-sheet under each department, together with the balance of the profit and loss account and general reserve if any. If the departmental reserves include, as

HOW MANY MEN

there are whose great wish is to be able to retire from business. They have reached the age of 65, but have only been able to save two or perhaps three thousand pounds, which invested in good securities returning 5% give them too small an income. It is not generally appreciated that a Canada Life Assurance Co. Annuity will

SHOW A SAFE INVESTMENT

which produces a guaranteed income for life of considerably more than double the ordinary yield from good class securities. For instance, a man of 65 with £2,000 invested in stocks and shares gets about £100 per annum, but by buying a Canada Life Annuity he would get a guaranteed income for life of £221 9s. 8d., thus showing

OVER 11% PER ANNUM

The Canada Life is the oldest Dominion Life Office, and has assets of OVER £29,000,000 under direct Government supervision, so that your security is equivalent in safety to a Government pension.

Any amount from £100 can be invested.

The Company has recently revised and considerably reduced its rates for non-profit Policies.

Write to-day giving your age, and full particulars will be sent you by the Manager,
Mr. J. R. Wandless, F.I.A.

CANADA LIFE ASSURANCE CO.

Accumulated Funds over £29,000,000.

Established 1847.

2 ST. JAMES'S SQUARE, LONDON, S.W.1.

they do in many cases, provision for outstanding claims, this should be deducted for the purpose of this comparison. The grand total of these various reserves should then be

compared with the premium income, again excluding the life department, and the ideal result is that which shows a ratio of 100 per cent. or over.

LIFE ASSURANCE FINANCE

By E. H. LEVER.

LIFE Assurance Finance, or what is almost synonymous, the Investment of Life Assurance Funds, has received a good deal of attention recently, both in the Press and at the sessional meetings of the Institute of Actuaries, and this publicity may be said to have arisen, broadly speaking, from two circumstances; first, an increasing recognition that the degree of success of a Life Office depends very largely on the financial policy adopted by the Management, and second, a change in the views held by certain Life Offices as to what this policy should be.

One special feature of the position of Life Offices as investors, the importance of which is often not fully appreciated, is that, under normal conditions, income exceeds expenditure and Assurance Companies are therefore called upon to handle rapidly growing funds. This fact has a considerable effect on outlook. It eliminates opportunism and compels companies to take the long view. It also has the effect that a general appreciation of security values such as has taken place during the last year or two is not necessarily as beneficial to an Assurance Company as to a private investor, and may in fact ultimately prove not to have been beneficial at all. Until the time comes when assets have to be realized to pay claims, the vital thing to an Assurance Company, under normal conditions, is the amount of income produced per cent. of the capital originally invested. It follows from this that a general appreciation in capital values, although comforting for balance-sheet purposes, is not necessarily real profit even if the securities are sold, since the proceeds may have to be reinvested at a lower rate of interest. Conversely, depreciation is awkward because it may necessitate a temporary holding up of profit, but it is not a real loss unless and until expenditure outstrips income. It will be evident that a company with rapidly growing funds and with premiums calculated on present interest rates, will, on balance, derive advantage from passing through a period of high interest rates and consequent capital depreciation, and might derive advantage even if part of the depreciation were permanent. This explains in no small measure the strength of Assurance Companies after the disturbances of the war and post-war periods. The practical point emerges that Assurance Companies have probably more to fear from a fall in the general interest rate than from a rise, and this has necessarily a considerable influence on the choice of investments.

There is still a large body of opinion which adheres to the old idea of confining the investment of life funds to so-called "safe" securities of the trustee or semi-trustee type, and only realizing investments on exceptional occasions. There is much to be said for this point of view, but those companies adopting it are necessarily almost entirely at the mercy of the ebb and flow of the rate of interest yielded by securities of the highest class. Another small but growing body of opinion contends that investment policy should be more active, and that instead of being at the mercy of the tide of interest rates, the movements of the tide should be foreseen as far as possible and made to work to the profit of the companies.

The difference between these two schools of opinion reveals itself in practice in two main directions, first, in the attitude adopted towards selling securities, and second in the opinion as to what the character of these securities

should be. The proponents of the "active" policy would not hesitate, for example, when rates of interest are rising, and if satisfied that this rise will continue, to sell long-dated or irredeemable securities as far as possible, and to reinvest the proceeds in short-dated investments, reversing the process when rates of interest appear to have reached their maximum. This policy was actively practised by some companies with very beneficial results in and about 1921. Neither would they hesitate to take advantage of anomalies in prices of securities of similar type by effecting simultaneously sales and purchases, thus making a capital profit, or producing a higher yield, while leaving the intrinsic value of the investment unchanged. Curiously enough the most fruitful ground for this type of operation is the gilt-edged market itself.

The advocates of activity also believe in investing a proportion of their funds in junior securities down to ordinary stocks and shares, on the principle that by taking the group as a unit, and not the individual investment, not only can a higher yield be obtained with no sacrifice of security, but it is possible thereby to secure that a section of the funds is represented by real values and thus affords some protection against currency depreciation.

If this policy of investing in junior securities develops to any appreciable degree it may lead to rather interesting results. The inference to be drawn from past success is that the rate of interest yielded by junior securities, as a whole, more than compensates for the risk of capital loss which undoubtedly exists, and if this fact becomes generally recognized it should lead to a general levelling up of prices, and the incentive to go outside the gilt-edged group may be correspondingly diminished. The whole art of successful investment is, however, the selection of securities whose real worth is not yet recognized by others, and if such a general levelling up of prices took place, the advocates of activity would naturally look for fresh worlds to conquer.

The successful prosecution of an active investment policy demands, among other things, harmonious working with financial interests in the City. This is especially necessary since the interests of Assurance Companies are to some extent antagonistic to those of ordinary finance houses, and a good deal of give and take is required. This conflict of interests has become more pronounced of recent years during which certain Assurance Companies have taken a more extensive participation than hitherto in operations outside the ordinary purchase of securities. The large funds at the disposal of Assurance Companies constitute a latent power in the financial world which if completely galvanized into life would have far-reaching effects, and sound judgment is required to keep it within legitimate bounds. Naturally there has been a tendency for companies to use this power to secure for themselves and for their policy-holders advantages which were not formerly fully exploited. It is, for example, becoming better recognized that in the underwriting of new issues, whether firm or otherwise, Assurance Companies can legitimately play their part. They can also, provided the class of security is suitable, quite properly enter into syndicates for the purchase of blocks of securities with a view to the eventual realization of a proportion of them at a profit, and the consequent retention of the balance at an advantageous

RECORD BONUS DECLARATION

WHOLE LIFE POLICIES **45/-⁰/₁₀₀ AND 50/-⁰/₁₀₀** PER ANNUM

ENDOWMENT ASSURANCES **40/-⁰/₁₀₀** PER ANNUM

NO SHAREHOLDERS—ALL THE PROFITS TO THE POLICYHOLDERS

WRITE FOR PARTICULARS

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION

ESTABLISHED 1840

25-31, MOORGATE, LONDON, E.C.2.

TELEPHONE
LONDON WALL 6620 (3 Lines)

C. R. V. COUTTS,
MANAGER & ACTUARY

Every Year a Bonus Year

THE NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA Ltd.

Established 1869.

Funds £27,000,000
Income £4,000,000

EXCELLENT BONUS RESULTS

FURTHER INCREASES FOR 1927.

Whole Life Policies
(Table I.)

BONUSES commence at
£2 8s. 0d. per cent. for
first year and increase with
age of Policies to £5 0s. 0d.
per cent. per annum.

Endowment Assurances
(Table IV 60)

BONUSES commence at
£2 2s. 0d. per cent. for
first year and increase to
£3 10s. 0d. per cent. per
annum.

BONUSES DECLARED ANNUALLY.

Exceptionally Low Premiums. Liberal Conditions.

LONDON
OFFICE: **5, CHEAPSIDE, E.C.2**

H. W. MEYERS, Manager.

THE GREAT RISK

common to every man is that of premature death, that is, death before full provision has been made for the support of one's family

There is only one way open to the majority to counter this great risk, namely to secure the protection that can be obtained through a first-class Mutual Life Office

THE COST IS SMALL

and the premiums can be paid by
monthly instalments.

Write for terms to the
UNITED KINGDOM
PROVIDENT INSTITUTION
(One of the largest Mutual Life Offices)
196, Strand, W.C.2.

FUNDS: OVER £16,500,000.

Chairman: The Rt. Hon. Walter Runciman.

price. It is, moreover, becoming increasingly common for an Assurance Company or a group of companies, to subscribe privately for the whole of a particular issue and thus obtain it on terms which are more favourable than if a public issue were made, with the advantage to the borrower that the loan is in satisfactory hands.

This class of operation is naturally not very popular in the City, since it deprives the market of a certain amount of profit, but when the security is suitable it is clearly an ideal method for Assurance Companies to adopt for a proportion of their funds. It was practised extensively recently in connection with loans issued under the Trade Facilities Acts.

In these and other directions Assurance Companies are gradually extending their activities in the world of finance, and results so far have certainly justified this development.

There is one practical consideration which the advocates of investment in junior securities are compelled to face, namely, the determination of what proportion of the total funds should be so employed. It might be argued that if the policy is a sound one there is no reason why the whole of the funds should not be so invested, but even the most ardent apostle of activity would hardly go thus far. It is doubtful whether any company fixes rigidly the proportion of its funds to be invested in various classes, and even if it did there would be considerable difficulty of

application in the case of ordinary stocks and shares. The selection of these demands very great care and, where possible, inside knowledge, and the amount held depends to a large extent upon the opportunities which present themselves for their advantageous acquisition. Moreover, the market in them is for the most part much more sensitive than for securities of other types, and it is often difficult to carry out transactions in substantial amounts without materially affecting the price. This practical difficulty of making large purchases or sales leads to the further consideration that there is a limit to the size of the fund in respect of which the "active" theory can be exploited to the fullest advantage. However desirable it might be, it would be a practical impossibility in the case of some of the larger companies to effect a complete and rapid change in the character of their investments. On the other hand, the larger company has the advantage of being able to set up an adequate and relatively less expensive investment organization, and to extend its investment activities more readily abroad.

Under modern conditions those responsible for the finances of Life Assurance Companies require skill, imagination, and good judgment to carry out the trust reposed in them, and however much they may differ between themselves as to the methods to be employed, policy-holders, shareholders, and the general public alike may rest assured that this trust will not be betrayed.

THE RISING TIDE OF LIFE ASSURANCE

IT is an encouraging sign when the general Press takes up the cudgels on behalf of life assurance. In addition to the wide publicity which arose out of the International Congress of Actuaries held in London in June last, many articles and paragraphs have appeared in the daily and weekly journals, during the past year, dealing with life assurance, and its application to the various needs of men and women. Quite recently a leading evening paper gave special prominence to a letter upon the subject of under-insurance. The writer urged wives to discuss life assurance with their husbands, and suggested that, if necessary, the average middle-class wife could be trusted to discover ways in which economies might be made, so as to allow for the essential expenditure on premiums.

There is not enough frank and open discussion of this important subject in this country. For some reason, which it is difficult to explain, life assurance as a topic of conversation is largely avoided. That this should be so is very much to the disadvantage of all parties, and it is to be hoped that the greater attention which the subject is receiving will break down this senseless reticence.

The constant references which are now made to the fact that as a nation we are under-insured, are probably having some effect on the total business transacted, but there is still a large amount of life assurance which ought to be secured and which will be secured if only the assurance companies will search for it more diligently, and do something on a big scale (e.g., collective advertising) to make life assurance a topic of everyday discussion, both as a family provision and as an investment.

During 1927 the net amount of new ordinary life business transacted by all offices was approximately £150,000,000. This record figure is larger by about £20,000,000 than the corresponding result for 1926 when, chiefly owing to the General Strike and the prolonged dispute in the coal industry, the increase in the total new life business completed was smaller than it had been for many years.

Of the total for 1927, the "Prudential" completed practically £17,000,000 in the Ordinary Branch, i.e., 11.3 per cent. of the total, and an increase of 13.5 per cent. on its own result for 1926. In the Industrial Branch the new sums assured were nearly £54,000,000. In this depart-

ment the Company collects £16,500,000 in premiums, which are payable at frequent intervals of a month or less. This necessitates the employment of an army of collectors who make house to house visits—a very expensive business. At one time there was wasteful overlapping in the work of these collectors, but a thorough reorganization of the machinery of collection has resulted in substantial economies in recent years. For example, in 1920 the expense ratio was 40.5 per cent. of the premium income, whereas last year it had been reduced to 25.5 per cent. a saving of 15 per cent., which represents about £2,500,000 on the premium income of 1927.

The "Prudential" makes an annual distribution of bonus. In the Ordinary Branch the rate of 44s. per cent. simple (i.e., on the original sum assured only) was maintained, but in the Industrial Branch the bonus was increased.

Two other Industrial-cum-Ordinary Life Offices which did well are the "Britannic" and the "Pearl." The sums assured under new policies in the Ordinary Branch of the "Britannic" amounted to £2,162,554, an increase of over 40 per cent. on the total for 1926. In the Industrial Branch the new sums assured were £8,274,905, following £4,919,002. The expense ratio of the Industrial Branch is being gradually reduced, but at 37.5 per cent. it is still very high. During the year the "Britannic" acquired the business of the British Legal Life Assurance Co., and the amalgamation has received the consent of the High Court. The "British Legal" had a premium income of about £555,000, and funds of over £1,520,000.

New policies were issued in the Ordinary Branch of the "Pearl" for just over £10,000,000, an increase of 11 per cent., while the Industrial Branch total jumped from £18 millions to £23 millions. The reversionary bonus to the policy-holders in the Ordinary Branch was at the rate of 42s. per cent. simple, being the same rate as that declared for 1926. The "Pearl" is the second largest Industrial-cum-Ordinary Office.

One of the few Insurance Offices which have adopted modern publicity methods is the Legal and General Assurance Society. The reward for its enterprise is shown in the accounts for 1927. The new business at over £6,500,000 was nearly 27 per cent. more than the total for the previous

Write to the

LONDON AND MANCHESTER

ASSURANCE COMPANY, LTD.

50, Finsbury Square,
London, E.C.2.

*for a special leaflet, showing
how one may get 5 per cent.
compound interest (and free Life
Assurance) on annual savings.*

**FIRE, LIFE & GENERAL
BUSINESS TRANSACTED**

Established 1869.

"STANDARD" QUOTATIONS

He is well paid that is well satisfied.

—SHAKESPEARE.

A man of 25 by the payment of an annual sum of £21 6s. 8d., which by the rebate of income tax allowed by the Government is reduced to £19 4s., secures an immediate capital of £1,000 payable at his death. **And in addition** at the present rate of annual compound bonus declared by

The Standard Life Assurance Company

the bonus added to the policy each year exceeds the amount of annual premiums paid.

On the assumption that the present rebate of income tax continues and that the Standard bonus remains at 42s. per cent. annual and compound, the following remarkable results will obtain:

	Net Cost.	Capital Sum at Death.
1st Year	£19 4 0	£1,000 plus £21
10th Year	£192 0 0	£1,000 plus £231
20th Year	£384 0 0	£1,000 plus £515
30th Year	£576 0 0	£1,000 plus £865

Thus when death comes, the bonuses alone return more than has been paid in premiums **and the capital sum of £1,000 is payable in addition.**

The holder of a With Profit Policy in the Standard is indeed well paid and cannot fail to be well satisfied.

WRITE TO-DAY FOR A COPY OF THE "WITH PROFIT" PROSPECTUS, "R.14."

The STANDARD LIFE
ASSURANCE COMPANY

LONDON
110 CANNON STREET E.C.4
18, Pall Mall S.W.

HEAD OFFICE - 3 GEORGE STREET
EDINBURGH

DUBLIN
59 DAWSON STREET

For the BEST of LIFE ASSURANCE

There are a hundred Life Insurance Offices. ONE will give YOU the best return for your premiums in protection and benefits. Which is the ONE BEST office for your case?

It costs you nothing, and places you under no obligation to do as hundreds have done—

Consult CHANTRILL

I will advise you upon the selection of a policy and an office best suited for your individual need. I have collected and classified data respecting all the leading Life Offices and base my selection upon a comparison between their respective merits. My selection of an office is sent to you in a clear, concise form and enables you to see exactly the return and benefits you obtain. Fill in the coupon below or write. Address:

Harold H. Chantrill

Life Assurance Consultant

22, Basingball Street, London, E.C.2

To HAROLD H. CHANTRILL N.1.
34 Weaver's Hall, Basingball Street,
London, E.C.2.

Please send me your advice upon the best policy for my case.

I can deposit ☐ Monthly
☐ Quarterly
☐ Half-Yearly
☐ Annually £.....

My age next birthday is.....

Occupation.....

Name.....

Address.....

Please write in BLOCK LETTERS

year. At the recent Annual General Meeting the Chairman referred to the Society's Monthly Premium Scheme, and described the system as "hire purchase insurance at cash price," evidently referring to the fact that the Society makes no charge for the convenience of these easy payments. The Chairman said that the amount of business already transacted since the scheme was introduced is sufficient evidence that a long-felt want has been supplied. During the past few years the Society has developed a successful general insurance section in which the total premium income in 1927 was over £260,000.

Special interest attaches to the Report and Accounts of the Provident Mutual Life Assurance Association, because the year 1927 marked the close of a quinquennial valuation period. The amount of new business completed, viz., £2,301,061, was the highest in the history of the Association. An increase of practically £1,000,000, representing an advance of no less than 70 per cent. on the previous year, is cause for congratulation. This Company is evidently meeting much success in preaching the gospel of adequate life assurance. In their endeavours to maintain and increase the new business, the connections of the Association will be powerfully assisted by the results of the quinquennial valuation. At the previous valuation in 1922 the reversionary bonus declared was only 25s. per cent. per annum simple. As the interim bonus for policies which became claims during the quinquennium was increased to 35s. per cent., it was expected that the rate of bonus to be declared at the end of last year would be raised substantially. In the result, however, expectations have probably been exceeded. The new bonuses are as follows:—

Whole-life Policyholders aged 65 or over	50s. % p.a. simple
Whole-life Policyholders under age 65	45s. % " "
Endowment Assurances	40s. % " "

Notwithstanding the allotment of these handsome bonuses, the amount of surplus carried forward has been increased from £96,977 to £171,309.

Another Life Office which made a notable contribution to the solution of the under-insurance problem, is the Standard Life Assurance Company. Unlike the majority of insurance offices, the "Standard's" financial year ends on November 15th. For the twelve months ended on that date in 1927, the new business completed was for the record amount of £3,000,840, an increase of 34 per cent. on the previous year's total. Since this Company transformed its constitution in 1925, and became a mutual instead of a proprietary life office, a new spirit of enterprise has characterized its operations. In addition to the inauguration of the important mutualization scheme, the intervals between bonus distributions have been reduced, first from five to three years, and in 1926 to one year. The last change was accompanied by the decision to adopt, for future distributions of surplus, the compound reversionary bonus system, in lieu of the simple bonus plan which had hitherto been employed. The rate of bonus declared for the three years ended November 15th, 1926, was 40s. per cent. per annum simple. At the same time it was announced that the interim bonus for the ensuing year would be 42s. per cent. compound. According to the first annual valuation report, which was issued last month, this excellent rate of bonus has been declared on all with-profit policies for the past year.

The results of the London Life Association, Ltd., prove that it is possible to secure a large amount of new business without paying commission for it. The 1927 total was over £2 millions—25 per cent. larger than for 1926. The Association declares its bonuses annually, and has joined the ranks of the offices granting monthly premium policies.

Two other mutual offices whose new business showed substantial increases, are the Scottish Widows' Fund and Life Assurance Society, and the Scottish Provident Institution. In both cases the total was about £2½ millions. It is interesting to note that on December 31st, 1928, each office will make its next quinquennial valuation. As the "Scottish Widows'" has increased its interim bonus twice during the past four years, it is expected that the bonus to be declared next year may be even higher than the 40s. per cent. per annum compound declared on the last occasion. The "Scottish Provident" is alone in adopting

a system of bonus distribution under which bonuses are not allocated to a whole-life policy until the premiums paid accumulated at 4 per cent. compound interest equal the sum assured. One feature of this plan is the very low rate of annual premium charged.

MOTOR VEHICLES AND INSURANCE

MECHANIZED "point to point" races were predicted by a recent PUNCH picture, and so accurately do the pages of PUNCH reflect the times, that this humorous suggestion causes little surprise. At the same time it is difficult to believe that the horse will be displaced on the race-course by high-speed tanks, as it has been elsewhere by the expansion in the use of motor vehicles. The growth of motor traffic is one of the events of the post-war period. The familiar fact of the congestion in the streets gives a general impression that a greater number of motor vehicles are in use, but it is only when the actual figures are examined that the full measure of the increase can be taken.

The Society of Motor Manufacturers & Traders, Ltd., has issued a booklet entitled "The Motor Industry of Great Britain, 1927," from which the following figures have been taken. There are several ways in which the increase in the use of motor vehicles could be shown, but we have selected two which will give a sufficiently vivid picture for our purpose. Table I. shows that the number of motor vehicles of all classes in Great Britain per road mile in 1926 had advanced by over seven times the corresponding number in 1913:—

TABLE I.

Year.	Road Mileage.	Motor Vehicles in use.	Vehicles per road mile.
1913	176,799	243,000	1.3
1926	178,361	1,694,000	9.5

Thus, if all the vehicles were to take the road at one time there would be no less than one for every 185 yards of the roads.

The second table gives the approximate number of persons for each *private* motor-car in use in the same two years. It will be seen that the number of *private* cars has been multiplied practically ten times:—

TABLE II.

Year.	Private-cars in use.	Population	Persons per private car.
1913	68,000	41,302,000	607
1926	686,000	43,960,000	64

This amazing addition to the number of vehicles on the roads in so short a time, and the great industrial development which it implies, is really a wonderful tribute to the beneficent effects of insurance. All along the line, from the raw material to the vehicle ready for the road, insurance has played a silent but most important part. Without fire, workman's compensation, and similar insurances, this industry could not have made the strides which it has taken in the last thirteen years. Further, the market for the finished article has been extended largely with the assistance of another type of insurance, for without motor insurance, sales would inevitably have been limited to wealthy purchasers. This great principle of insurance has been aptly styled "the handmaid of commerce," and the growth of the motor industry is a striking example of the dependence of business on insurance.

It is stated in a handbook for motorists, that a man who drives a car on the public highway without first taking out a motor policy, is either "a fool or a millionaire." Nevertheless, there are indications that this obvious precaution, which amounts almost to a duty, is being neglected by a considerable number of those who drive their vehicles up and down the public highways.

Insurance is an indispensable accessory which ought to be carried by every owner of a motor-car, and the rapid multiplication of vehicles on the roads serves only to emphasize the importance of adequate insurance.

TO DRIVE A MOTOR CAR

under the cover of a "GLOBE" Comprehensive Motor Policy is to be relieved, so far as money can do it, of the risks that beset the motorist on every yard of his journey.

It covers the car against damage from ANY CAUSE (excluding wear and tear and mechanical breakdown).

It authorises immediate repairs.

It is issued by a Company known round the world for its financial strength and the excellence of its claims' service.

OVER A MILLION POUNDS
paid to "GLOBE" Motor Policyholders in satisfaction of their claims during 1927.

THE

LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LIMITED.

Head Office: 1, Dale Street, Liverpool. London Chief Office: 1, Cornhill, E.C.3.

Branches and Agencies throughout the World.

General Manager and Secretary: HUGH LEWIS.

DO YOU WANT TO RETIRE AT SIXTY?

Why not arrange it Now?

YOU may be just on thirty now, working your best for yourself and your family. But when you are sixty you will want to take things more easily, purchase a little business or retire with an income for life. Fix it up now by taking out an Endowment Policy for £1,000 with profits. This is how it works out:—

Annual Premium	£33 17 6
Less Income Tax Rebate at 2/- in the £	£3 7 9
Net Annual Outlay	£30 9 9
If you live 30 years your total deposits (on the above assumption) will be	£914 12 6
Whereas	
Your Policy, plus Bonuses at an estimated average rate of 42/- per £100 per annum for 30 years will amount to	£1,630 0 0
Showing a Profit on your Savings of	£715 7 6

You will not have to pay income tax on this profit as you would if you invested your savings. And there are two further advantages. You have protected your family for a substantial sum during all the years it was necessary, while you could have arranged to purchase your home at any time by means of your policy if you had so desired.

Write to-day for particulars of this special policy, stating age next birthday, to

BRITANNIC ASSURANCE COMPANY, LTD.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM

The "Safety First" Association, which has done so much good work in educating the public on the subject of avoiding accidents, recently published a paper entitled "A Review of Road Accidents," by Lieutenant-Colonel J. A. A. Pickard, D.S.O., the General Secretary. This paper contained an analysis of the causes of fatal motor accidents, the results being derived from returns furnished by H.M. Coroners for the period of June and July in the years 1926 and 1927. The following are extracts from this paper:—

"Relative responsibility in the deaths in motor accidents investigated during 1927 and 1926 may be gauged from the following summary:

	Per cent.	
	1926.	1927.
1. Pedestrians, cyclists, members of the public other than the motor driver, &c.—		
Adults	23.4	19.9
Children	14.7	14.1
Cyclists	9.9	12.9
Animals	0.6	1.2
	48.6	48.1
2. Motor Drivers	36.6	36.0
3. Road Conditions	6.6	7.6
4. Weather Conditions	3.2	4.1
5. Defects in the motor vehicle	4.8	3.9
6. Fire	0.2	0.3
	100%	100%

"The first two main classifications account for 84 per cent. of responsibility. These are failures of the human element. These figures fully bear out the contention of the National Safety First Association that the most fruitful remedy is education of all classes of road users in Road Sense. It is to be observed that though these accidents are classified as motor accidents, the motor driver was responsible for only slightly above one-third."

As an example of the numerous causes assigned to accidents, and incidentally of the risks run by drivers, this unusual instance is worth quoting. "An unruly bee got into the driving seat and so distracted the driver that the car swerved into a lake, unfortunately resulting in two deaths." In another part of the paper it is stated that the number of fatal and non-fatal motor accidents per 1,000 drivers licensed has increased from 35 in 1921 to 43 in 1926, and per 1,000 vehicles from 45 in 1921 to 53 in 1926. It is gratifying to notice from the Home Office Return of Street Accidents, which has just been published, that the number of accidents in relation to the number of motor vehicles was less in 1927 than for the previous year. We venture to say that if Colonel Pickard's paper could be read by every motor-driver, there would be a marked diminution in the appalling number of accidents which now occur annually.

On the evidence of these figures alone, it is difficult to resist the conclusion of the writer of the handbook referred to above, viz., that the motor-driver who does not take out a motor policy is either "a fool or a millionaire."

What are the facts regarding motor insurance? Unfortunately they are very difficult to trace. The Board of Trade Returns do not assist us, as under existing legislation no separate returns are required for this class of insurance. The Departmental Committee appointed by the Board of Trade to inquire and report what amendments are desirable in the Assurance Companies' Act, 1909, added to their report a draft "Insurance Undertakings Bill" which provides that "a separate revenue account must be prepared for motor vehicle insurance business." The proposed Bill has not yet been presented to Parliament, but when it becomes law it will be possible to obtain precise information, which is not available in the present circumstances, regarding this branch of insurance.

Although there is no official source to which we can go for exact details of motor insurance, it has been estimated that something like 15 per cent. of motor-car owners in this country, and about 66 per cent. of motor-cyclists, are not insured. On the assumption that these figures are correct, over 100,000 owners of private motor-cars have not effected motor policies. Even if allowance of half this number is made for overstatement and the wealthy owners

of cars, there still remains the large number of fifty thousand without insurance. These drivers may consider themselves safe because of their long experience of careful driving and immunity from accident. Unfortunately, however, the traffic congestion which exists to-day renders the chance of accident occurring as the result of errors made by the other man even more likely than those made by the driver himself. The risk of being involved in some smash which a driver was powerless to avoid, and for which he could not be blamed, increases every day. As the cost of a motor insurance policy is trivial, compared with either the cost of the car or the amount of damage for which the owner may find himself liable owing to an unlucky accident, it is difficult to understand the mentality of the non-insurer.

The cumulative result of years of competition has given the modern motor policy a number of unessential frills—benefits which are acceptable but not indispensable. According to Lieutenant-Colonel Pickard, in his booklet "The Call of the Road," the essential features in a motor policy are:—

"*Third Party Risks.*—Claims by the public should be fully covered without limitation as to the amount, and, in addition to covering the owner's legal liability, the policy should extend the protection to any relative or friend driving the car with his consent. In the same way, the Assured should be covered for Third Party claims arising while he is driving a car not belonging to him. Third party claims are liable to lead to considerable trouble, and an apparently trivial claim may prove serious; therefore all responsibility under this heading should be placed upon the Insurance Company from the smallest up to an unlimited amount."

"*Legal Claims by Passengers.*—It was formerly generally believed that people travelling in a car without payment and of their own free will could not sustain an action for damages from the owner in the event of an accident, but in the courts it has been ruled otherwise, and the policy should indemnify the owner against legal claims by passengers."

"*Fire, Loss, or Damage.*—The clause covering damage to car and theft, &c., should embrace—

(1) Accidental, external means or by malicious means.

(2) Fire, lightning, explosion, or self-ignition.

(3) Theft, burglary, housebreaking, or larceny.

It should be permissible for the Assured, subject to certain reasonable conditions, to get the repairs rendered necessary by accident put in hand immediately without awaiting the consent of the Insurance Company.

"*Transit.*—Damage or loss incurred during transit by sea between ports in the United Kingdom, including loading and unloading, should be covered, also between British and Continental ports, provided the journey, under normal conditions, does not exceed sixty-five hours in duration."

"*Continental Risks.*—The policy should apply to the Continent of Europe, Algeria, and Tunis, while the car is temporarily abroad for a period of three months in any one year, without restriction as to the countries visited."

"*General.*—There should be no limit placed upon the number or the amount of claims in any year."

"No arbitrary time limit should be fixed for giving notice of accident; it should only be required to give notice 'as soon as possible.'"

"Sundry rebates may be claimed, of which the most important is a 10 per cent. bonus off the renewal premium at the end of any full year's insurance, when no claim arises under the policy."

"A rebate is always allowed if the owner is willing to 'carry' the first £5, £9, £10, or more, of risks."

In opening Lloyd's new building recently, H.M. the King paid a notable tribute to the insurance business. In the course of his speech the King said: "It was a very wise man who, nearly three thousand years ago, said, 'Two are better than one, for if they fall the one will lift up the other: but woe to him that is alone when he falleth for he hath not another to help him.'" This quotation ought to be written across the windscreen of every uninsured motor vehicle until the driver or owner effects a policy covering at least his third-party liability.

COMPANY MEETING.

ALLIANCE ASSURANCE YEAR'S BUSINESS

PROGRESS OF THE VARIOUS DEPARTMENTS

The annual general Court of the Alliance Assurance Company, Ltd., was held on Wednesday, May 16th, at the head office in Bartholomew Lane, E.C.

Mr. C. E. Barnett (the Chairman) said that the new life assurance business was slightly larger than in the preceding year—namely, 3,477 new life policies, assuring £2,465,190, against 3,087 policies assuring £2,227,011. This was satisfactory, and the same remark applied to the total premium income—£1,434,749, as against £1,422,341. The net single premiums received during the year were £182,317, as against £198,226 in 1926. Their mortality experience continued to be favourable. He mentioned last year that the claims were about 60 per cent. of the expected claims, and the figure this year was practically the same. The year 1928 was the last year of the quinquennium, and the Board had every reason to expect that the results of the valuation when made would be quite satisfactory. With regard to non-profit assurances, at the beginning of this year the company introduced a revised scale of rates for this class of business. The revision being in a downward direction, they thought that the effect should be to bring in an increased number of proposals.

The fire insurance business generally in 1927 was prosperous. This was shown in the accounts of other companies which had been made public, and the Alliance had shared in the general prosperity. It was interesting to observe that the increase of premium of about £20,000 for the first time brought them over the two million mark. It had been some time coming, but they preferred to move cautiously rather than to seek for rapid increase in premiums. It was to be hoped that the gradual upward progress would continue unchecked. Losses, on the other hand, were less than in 1926, and the result of the year's working, after the addition of the interest income, enabled them to make some increase in the fire insurance reserve and a substantial contribution to the profit and loss account.

MARINE BUSINESS

The results in the marine account were very much the same as those shown in the 1926 account. In both cases about £62,000 was carried to profit and loss account, made up of £18,000 profit and £44,000 interest. The profit dealt with was that for the year 1925. Attempts had been made during the past year to bring about some improvement in the results of marine insurance by discussion of the rates of premium and conditions of insurance which prevailed in the market. The company had associated themselves with these efforts, and they would continue to do so. He felt sure that with good will and determination these would not prove insurmountable, and that they might look for good results. It might, however, be yet a little while before these results became very apparent in the accounts. Meanwhile they must continue to exercise restraint in their marine dealings. It was announced that morning that the conclusion arrived at by the Joint Hull Committee was to increase the premiums on hull business by 10 per cent. This decision had met with general approval all round, and he was glad to be able to say that their underwriter, Mr. Jacobs, had been the leading spirit in that movement.

The three accident accounts showed increased incomes, and from all they had been able to carry something to profit and loss account. The largest addition to income was in the miscellaneous account, which was due mainly to motor insurance business.

The trustee account continued to increase in volume. The National Boiler Company, of Manchester, in which the Alliance held the majority of the shares, had had another successful year.

With regard to the profit and loss account, they had transferred to the credit of the account a reserve made during the war for possible contingencies, which was no longer required, and, on the other hand, they had placed £500,000 to reserve instead of leaving it in the balance to be carried forward, that balance being some £215,000 less than the amount brought in.

The report and accounts were unanimously adopted, and a dividend of 18s. per share (less income tax) was declared for the year.

COMPANY MEETING.

THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LIMITED.

EXCELLENT PROGRESS IN ALL DEPARTMENTS

The 92nd Annual General Meeting of the Liverpool and London and Globe Insurance Company, Limited, was held on May 18th at the Company's Head Office, 1, Dale Street, Liverpool.

GROWTH OF BRITISH INSURANCE

Mr. A. Kentish Barnes, the Chairman, before proceeding with a summary of the Company's operations, referred to the enormous growth of British Insurance in recent years. He stated that in the decade ending December, 1926, the Fire, Accident, and Marine annual premiums of all British Companies rose from £75,000,000 to £135,000,000, or by 80 per cent. The progress of the Liverpool and London and Globe in the same period showed nearly 100 per cent. increase, the relative figures being £5,296,000 and £10,538,000.

TRAINING AND EDUCATION OF INSURANCE OFFICIALS

This remarkable expansion in British Insurance necessitated the training, in sufficient numbers, of officials capable of maintaining the prestige of British Insurance in the face of growing international competition. More than ever, insurance must attract to its service the ablest minds and the best brains.

PAYMENT BY INSTALMENTS

Commenting upon "payment by instalment" schemes, Mr. Barnes said it had been roughly estimated that 25 per cent. of the goods now manufactured in this country for use in the home circle were paid for by instalments. When, as in Life Assurance, the basis of outlay was thrifty or provident, instalment buying could be justified, but if it ministered to luxury and waste or excessive pleasure it was harmful and might, if carried too far, endanger the national well-being.

YEAR'S RESULTS

Turning to the results of 1927, the Chairman said the year had been one of the best experienced by the Liverpool and London and Globe. The total income of £12,642,800 exceeded by nearly £425,000 the record figure of the previous year. Transfers from the Underwriting Accounts, to which all Departments had contributed, were £570,190, more than double the 1926 total, and apart from exceptional war inflation years, the largest in the Company's history. Total funds amounted to £22,199,907, an increase during the year of £1,728,428. The Directors recommended the raising of the dividend to 24s. against 23s. for 1926.

The Chairman expressed his appreciation of the loyal services of the Officers, Staff, and Agents of the Company at home and abroad.

The Report and Accounts were adopted unanimously; the Dividend as recommended was declared; the election of Mr. A. E. Pattinson to the Head Office Board, and the re-election of the following retiring Directors confirmed: Mr. A. Kentish Barnes, Sir Frederick C. Bowring, Mr. W. R. Glazebrook, Mr. A. A. Paton, C.B. The Auditors were reappointed.

THANKS TO OFFICERS, STAFF, AND AGENTS

Colonel Sir James P. Reynolds, Bart., D.S.O., D.L., proposed, and Mr. Evelyn S. Parker seconded, a hearty vote of thanks to the Officers, Staff, and Agents, at home and abroad, for their zeal and interest in the affairs of the Company, the General Manager, Mr. Hugh Lewis, suitably responding.

A cordial vote of thanks to the Chairman and the Board of Directors throughout the world was accorded with acclamation, and the proceedings terminated.

The Directors of the Liverpool and London and Globe Insurance Company, Limited, have re-elected Mr. A. Kentish Barnes and Mr. R. Q. Wilson as Chairman and Deputy Chairman respectively of the Company.

A Remarkable Story of a Letter

In a recent issue of *The Nation* a letter appeared dealing with a practical aspect of Life Assurance. The consequences were rather remarkable. From all over Britain—from London, Liverpool, Wales, Glasgow and from distant parts of the world—India, Canada, Switzerland, Austria, Italy and Ceylon—readers wrote clamouring for information.

The letter proved one great important fact in the selling of Insurance. It indicated that there existed among the *Nation's* readers a large public anxious to have the provision of Life Assurance.

The *Nation's* readers are manifestly responsive to the right argument; they are obviously able to purchase good policies, because from further reports received from these readers, over £10,000 of Insurance business has been written direct from these inquiries.

This interest has been largely stimulated by the regular inclusion, as part of the editorial policy, of insurance articles and supplements dealing intelligently and thoroughly with all phases of Insurance benefits, risks and safeguards.

ADVERTISE INSURANCE
IN
THE NATION
AND ATHENÆUM



Why is it that one Life Assurance Company will pay £7,916 and another only £5,812 on Endowment Contracts maturing this year to men of 55 who entered at the same age and paid precisely the same deposits?

You will find the answer—the secret of successful choice of Investment Assurance—in the potent booklet "How to Buy Life Assurance."

Success is not the result of chance, but of the application of sound reasoning and knowledge of all the 103 Life Assurance Companies.

The principles which cause the strongest Offices to be most profitable to Policy-holders, and the actual results given by any Company, may be obtained free and without obligation by sending for this booklet.

No agents will call on you, and you can investigate the data compiled from official sources by a Chartered Accountant, and other independent investigators, at your leisure.

TO

T. EGGINTON PAULL, Insurance Consultant, 41 Bedford Row, W.C. 1.

FREE!

Please send me Free and without obligation a copy of "How to Buy Life Assurance" and a Savings Chart for my age.

Exact date of birth

Occupation

I could save £..... a year.

Name

(in print)

Address

N.

A COURTEOUS AND WILLING MORTGAGE SERVICE



LARGE FUNDS AVAILABLE FOR IMMEDIATE AND LIBERAL ADVANCES

Assets of over £10,000,000, and a membership which exceeds 80,000 show that the Abbey Road Building Society has earned, and retains, the public confidence. Such immense resources render possible very liberal advances to assist house purchase in any part of England and Wales. The costs are extremely low, business is transacted promptly, and repayments are light.

"ABBEY ROAD"

LONDON'S LARGEST BUILDING SOCIETY

Head Office: ABBEY HOUSE, Upper Baker St., N.W. 1

City Offices: 101, CHEAPSIDE, E.C. 2, and
145, MOORGATE, E.C. 2

General Manager: HAROLD BELLMAN

THE AMOUNT OF SUM ASSURED AND BONUSES OBTAINABLE IN THE PRINCIPAL LIFE OFFICES FOR AN ANNUAL PREMIUM OF £10

THE following table has been revised and brought up to date. As in former years it shows the estimated value of the sum assured and reversionary bonuses payable under an Endowment Assurance and a Whole-Life policy in each office, in return for an annual premium of £10. The estimates are based on the assumption that, with a few exceptions, the offices will maintain future bonuses throughout the period of assurance, at the latest declared rate (see notes at the foot of the table).

In using the Table to compare one office with another, it must not be overlooked that the figures are estimates only, and cannot in any way be guaranteed.

As this table has been criticized since our last Insurance Number was published, we would say again that we do not pretend that it provides a complete method of comparing the probable results of policies effected in various offices. With this proviso, we still think that it furnishes the best means which are at present available for this purpose.

OFFICE.	ENDOWMENT ASSURANCE.		WHOLE LIFE ASSURANCE.	
	Age at entry 30 next b'dy.		Age at entry 30 next b'dy.	
	Age at maturity 55.		Age at death (assumed) 65.	
	£		£	
Abstainers and General (a)	General Section,	360	693	
" (a)	Temperance ..	378	797	
Alliance (a)		387	768	
Atlas (a)		413	849	
Australian Mutual Provident		466	1,108	
Britannic		378	727	
British Equitable (a)		363	662	
British General		410	800	
Caledonian		411	755	
Canada Life		394	740	
Clerical, Medical and General		373	735	
Colonial Mutual		412	786	
Commercial Union (a)		399	727	
Co-operative Insurance		387	732	
Eagle Star and British Dominions	General Section,	352	671	
Equitable		406	773	
Equity and Law		400	757	
Friends Provident and Century (a)		399	813	
General (e)		348	621	
Gresham		370	645	
Guardian		398	740	
Law Union and Rock		426	871	
Life Association of Scotland		384	709	
Liverpool and London and Globe (a)		367	682	
London and Scottish		338	625	
" Assurance		404	795	
" Life		414	821	
Manufacturers Life (of Canada)		375	710	
Marine and General		375	697	
Motor Union (a)		376	705	
Mutual Life and Citizens		393	871	
National Mutual (f)		432	900	
" Provident		392	748	
National Mutual of Australasia (g)		425	1,002	
North British and Mercantile		380	734	
Northern (a) (b)		377	694	
Norwich Union (a)		393	754	
Pearl		373	708	
Phoenix		389	732	
Provident Mutual		373	734	
Provident Association		391	739	
Prudential		388	753	
Refuge		384	718	
Royal (a)		369	699	
" London		366	691	
" Exchange (a)		400	794	
Scottish Amicable		393	754	
" Insurance Corporation		381	708	
" Equitable		394	755	
" Life (d)		376	710	
" Provident		378	708 (c)	
" Temperance and General	General Section,	390	855	
"	Temperance ..	402	951	
" Union and National		380	701	
" Widows		397	753	
Southern Life		403	777	
Standard		417	855	
Sun	General Section,	363	665	
"	Temperance ..	372	700	
Sun Life of Canada		431	909	
United Kingdom	General Section,	381	748	
"	Temperance ..	390	786	
Wesleyan and General		374	751	
Yorkshire (a)	General Section,	382	714	
" (a)	Temperance ..	386	728	

(a) The figures for these Offices have been based on the present rate of interim bonus.

(b) A special bonus of 55s. per cent. per annum was declared in respect of the two years ending December 31st, 1925. It is pointed out, however, in the Annual Report, that this must not be taken as a normal rate of bonus, and consequently it would not be proper to base thereon any estimate as to what the future bonuses on policies are likely to be.

(c) Whole Life Policies, sharing profits when the premiums, if accumulated at 4 per cent., would amount to the sum assured.

(d) A special bonus was given to old policyholders at the last valuation. Lower premium rates are charged for Policies assuring £1,000 or more.

(e) As a new series of policies has been opened recently by this Company a simple bonus of 30s. per cent. has been assumed.

(f) Based on the ordinary rate of bonus last declared, viz., 45s. per cent. per annum compound, in addition to which whole life assurances received a special bonus of 6s. per cent. for 1927.

(g) These figures represent the summation of the actual bonuses added to policies 1, 2, 3, 4, etc., years in force at the date of the last distribution.



BUSH HOUSE WEST WING

Bush House has set a new standard of business accommodation in London. In its design, equipment and service and in its position at the centre of Aldwych-Kingsway, it typifies a definite trend in modern business. Bush House has proved that comfort is not incompatible with efficiency, nor dignity with light, air and space.

The new West Wing is now in course of construction. By the end of September Bush House will possess, in this new Wing, 55,000 square feet of additional accommodation. Floors average 6,500 square feet. Bookings are already being made and applications are invited direct to the Management of Bush House or through any Estate Agent.

BUSH HOUSE

BUSH HOUSE LTD. BUSH HOUSE
ALDWYCH W.C. 2

CITY 5243

